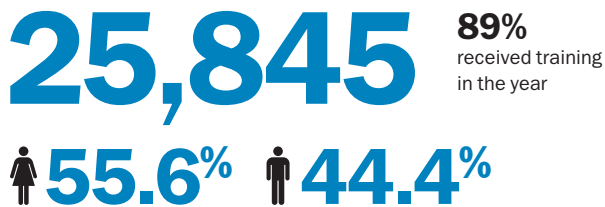


# People

The Bank has a young, qualified and gender-diverse workforce. The human resources strategy is based on four key principles which ensure that the goals are achieved (G27).

Four essential premises underpin the group's human resources management approach:

- The Bank has human resources policies and procedures in place that apply throughout the organisation.
- People are a differentiating asset and a critical success factor for Banco Sabadell.
- People are part of the whole organisation and make up a single team: Banco Sabadell.
- The Bank believes it is necessary to constantly strengthen the emotional bond between the Bank and its people.



G27 Banco Sabadell Group  
headcount

34.6% of managers are women

## Human resources strategy and lines of action in 2017

The capacities built into the previous Master Plan are the foundation for development towards a new management structure that is more efficient and closer to the business. The human resources function is now global and fully aligned with the other corporate lines of action.

Restructuring of the human resources function, completed in 2017, will enable effective coordinated action in all areas required by the Master Plan 2018-2020:

- Planning and anticipating the institutions' future personnel needs.
- Pro-active management focused on enhancing human capital.
- Development of the culture and improvement in employee satisfaction.

A number of programmes, most of which had commenced in previous years, were consolidated in 2017, including notably:

### — **Global Performance Management**

The cornerstone of a global, integrated standardised approach to talent management throughout the Group, whose main objective is to measure performance

objectively, across the entire organisation, in order to enhance each individual's strengths and minimise the areas requiring improvement.

- **Employee Satisfaction Improvement Programme**  
Based on coordinated efforts by all areas of the Bank, this resulted in a significant improvement in the target ratios and reinforces the Group's appeal as an employer.
- **Mobility and Diversity Programme**  
Translates into a multitude of professional opportunities for internal talent, with a special focus on female talent as a competitive advantage and on flexibility as an opportunity to improve productivity and employee satisfaction.
- **Definitive roll-out of the Sabadell Campus concept**  
To provide an overarching integrated vision of training, based on self-development, career choice and challenge as an engine of personal progress.

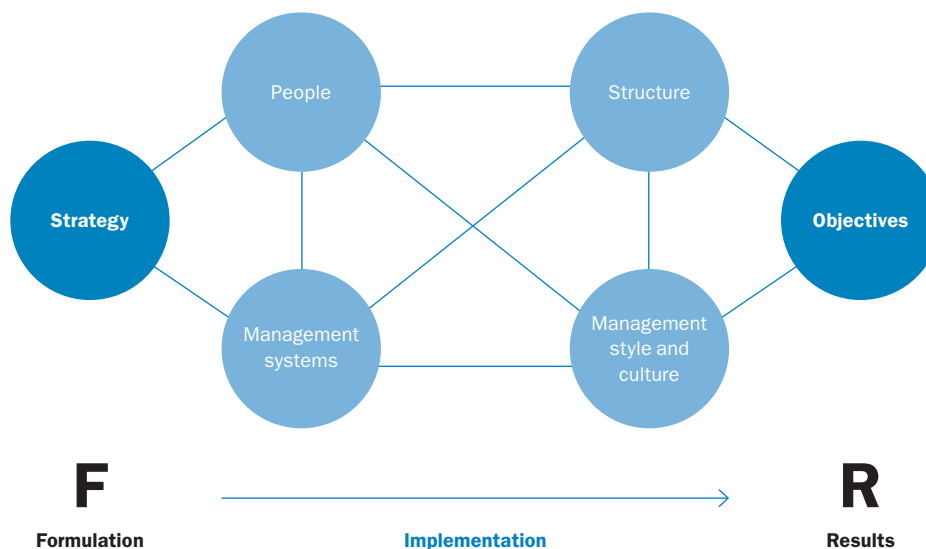
In addition to these ongoing programmes, there are others that are critical for the institution in the immediate future:

- Strategic personnel planning, in both quantitative and qualitative terms, with special focus on the gap between the staff's current capabilities and future challenges.
- Adaptation of remuneration and benefits policies

to align our compensation systems with the current and future regulatory framework, while orienting remuneration more toward rewarding outstanding performance.

- Expressing the brand through our employees, as a fundamental competitive advantage in the transition from a branch-based bank to a multichannel, hyper-connected relationship platform.

G28



Talent planning is a strategic priority for the project's long-term sustainability.

## Composition of the Group headcount

At the end of 2017, the Banco Sabadell Group had 25,845 employees, a decrease of 100 compared with the previous year. The average employee age was 43.04 years and the average length of service was 16.19 years. The gender split was 44.4% men and 55.6% women.

89% of the employees have participated in at least one Sabadell Campus activity.

## Projects in the Human Resources area

### **Training and development. A new approach to training**

During 2017, Banco Sabadell continued to promote its learning model, instituted in 2016, by expanding Sabadell Campus and its constituent schools and learning spaces. The Campus incorporates the main features of the Bank's training model based on innovation, personalised training, alignment with business goals, and efficiency.

### Expanding digital offering

Sabadell Campus provides all employees with a space for the development of digital skills with the aim of helping them to be part of Banco Sabadell's digital transformation programme.

### Expanding the Commercial School

The Commercial School, which focuses on training to meet the challenges facing the branch network, expanded its content and range of subjects.

In 2017, specific training programmes were designed for many other commercial profiles, in Commercial Banking (Active Management, SME branch manager, business Manager), Private Banking and Corporate Banking. Priority was given to having a much more comprehensive offering of courses adapted to each professional's needs.

### Enhancing the School of Management

The School of Management is the section of Sabadell Campus whose content is oriented towards meeting professional and personal goals through skill-building. In 2017, it expanded its range of on-site courses with innovative and useful subjects, and extended its online catalogue, which is available to all employees in a range of formats, including gamification. The School of Management is the section that receives the most visits: 9,500 employees connected in 2017,

The School of Management also rolled out two new editions of the Corporate Management Programme. This programme was redesigned to be more efficient with a blended format that includes networking with executives and a project presentation competition based on the elevator pitch; winning projects can be implemented in the Bank.

## All sections of the Finance School are now operational

A mission of the Finance School is to raise the level of financial skills in the Group by offering specialist training to all employees and providing them with an attractive range of content and learning methodologies.

In 2017, three new financial challenges were implemented: analysing a balance sheet, analysing a P&L account, and gaining an overview of the banking business.

The Finance School is receiving very good feedback from the Risk Management Programme being implemented by UPF for the Bank's risk analysts.

### Language Area

The Sabadell Campus Language Area pursues the goal of enhancing language skills by giving all employees access to the full range of language training that the Bank offers for each profile and specific need.

### Expanding the team of internal trainers

The internal trainer team is a key component of Banco Sabadell's new training approach. Internal trainers share their knowledge and talent with co-workers, providing training in all territories when needed.

Internal trainers received specific training in this area in 2017, including a seminar in February and a programme on training techniques and skills offered by Barcelona University.

The team of trainers participated in a number of projects on the basis of the Bank's needs, including notably the workshops to support EIP training, the Laude Programme tutorials, and the implementation of a systematic commercial approach through workshops with the Corporate Banking and Active Management employees.

These professionals provided more than 25,000 hours of training, an average of over 86 hours per trainer, sharing their knowledge with the rest of the workforce.

### **Mobility**

To vitalise the Bank's internal recruitment process, create opportunities for professional development and encourage internal mobility for Group employees, the following actions were implemented:

- Making internal recruitment procedures more flexible to attract existing in-house talent.
- Approving a procedure for active internal employee searches.
- At international level, the internal recruitment policy was rolled out in the regions where the Group operates in pursuit of more efficient employee movement.

In external recruitment, work is continuing to develop a pool of professionals that can selectively drive future expansion, and on incorporating international experience into the executive career path.

For this reason, a service unit has been set up to design and manage programmes to attract young talent showing potential for development as a talent pool to support the Group's expansion.

- Internship Programme
- Young Talents
- Talent Graduate Programme

As for diversity, the Group is focusing specifically on empowering female talent as a source of corporate wealth, based on an exhaustive analysis of gender-based indicators, workshops with managers and executives to understand the situation of female talent in the Bank, and a specific plan to continue advancing in diversity and equality.

Banco Sabadell also offers a broad range of measures aimed at improving work-life balance for its staff, by enabling them to purchase goods and services via the employee intranet, by which they save not only money but also time, as the products are delivered to the office, avoiding the need for extra trips outside work hours.

In 2017, new flexibility and work-life balance measures were introduced, including the possibility of purchasing additional days of vacation and the progressive implementation of telework.

The corporate services buildings in Sant Cugat del Vallès and Madrid offer employees a range of time-saving services, such as a gym, dry cleaning, parapharmacy, travel agency and hair salon.

## Leadership management

Anchored in a business-focused leadership style that is propagated by the School of Management, the management model has been enhanced with the aim of having the best information about our current talent and its potential in order to ensure appropriate decision-making, effective and efficient management, and effective development of our executives and pre-executives. In detail:

- Have objective, relevant and consistent information for decision-making in the personnel area (assessment of internal candidates and promotion to executive level), responding at national and international level.
- Supporting executives and middle management via personalised development programmes and horizontal programmes, as necessary.
- Building a global culture of talent management (assessment, identification and development) that makes it possible to maximise present and future performance, with participation by the entire management team.

An onboarding programme has been created for new corporate managers and the top 300, the goal being to assist them in their career transition and prepare them for the changing business environment, focusing particularly on the specific challenges posed by their new leadership role. The programme adopts a “learn by doing” approach and uses networking with the executive team to provide visibility.

## Operations, Organisation and Resources Department

The new Organisation and Resources managers seek to be close to the business and in a position to lend support; their function, from a corporate standpoint, is to provide the business with the resources it needs to achieve its objectives, with the focus on people. Its functions include defining the personnel and organisational adaptation plan in their sphere of responsibility, based on in-depth knowledge of the people involved, their talent and expectations. This comprehension, coupled with knowledge of the structure, processes, key figures and indicators for those areas, results in a mission focused on improving employees' activity, productivity and satisfaction through the use of models and solutions designed by the Human Resources Department.

## **Improved employee satisfaction**

Applying the “great place to work” approach to excellence, the Group continues to measure and act on the priorities in this area in order to continue building trust internally. All areas of the Bank have made a commitment to this objective, and many initiatives have been implemented to enhance employee satisfaction. Particularly noteworthy are actions aimed at improving internal communication, recognition and meritocracy.

In parallel, corporate actions have been implemented to support this process. They include the new My Benefits portal, the extension of flexibility and work-life balance measures, and improvements in selection and performance assessment, based on employee feedback.

## **Prizes and distinctions**

### **Mercotalento**

Banco Sabadell continues to rank highly in this prestigious indicator of the ability to attract talent: it is #21 among the top 100 places where people would like to work.

### **Randstad Award**

Banco Sabadell retained its position as one of the most attractive employers in the financial sector, according to the Randstad survey.

### **2nd Talent Awards — HR Encounter in the Insurance Industry**

Banco Sabadell was named Best Company for HR Innovation.

### **El Mundo Zen Adecco award for encouraging physical activity and healthy lifestyles**

Banco Sabadell obtained second prize among 200 nominees.